

[ETUC newsletter]



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Figure of the month

40 billion Euros

According to first estimates, the French companies listed on the CAC 40 should pay out to their shareholders more than 40 billion Euros, in 2011. This represents an increase of 13% over 2010, taking total dividends paid to a level higher than those paid in 2007, before the crisis. (Source: Le Figaro)

Note



Dear Readers,



The discussions on European economic governance and the 'Competitiveness Pact' have been the driving force in the European political debate over the past month.

European economic governance is not a really new topic, but the recent statements by Ms Merkel and Mr Sarkozy have sent it in a direction that the ETUC must oppose. We have been calling for a long time for the introduction of a system of economic coordination and cooperation that would give the European Union the resources necessary to rise to the challenges that it has to face. Yet the form of governance being proposed consists of giving the Commission, in collaboration with the finance ministers, the power to act at national level on wages and collective bargaining. This austerity governance raises a string of concerns, because the Commission's action here relates to national economic and social policies. Discussions about European economic governance should instead be the opportunity to tackle problems that are of most concern to citizens and workers: the fight against unemployment, in particular among young people, wages and purchasing power. The tenor of the debates shows us that this is not the case, indeed it is actually quite the contrary, since the proposals being tabled are to erode social standards. The European trade unions will be taking to the streets again to make their voices heard on these questions. In close collaboration with our six Hungarian members, we are organising a Euro-demonstration in Budapest on 9 April, in the place where the Economic and Financial Affairs Committee (ECOFIN) will be meeting. And before that, we will be supporting Belgian and other affiliates on March 24 in Brussels, the day of the European Council.

The early spring of 2011 will go down in history as a time of uprisings in the Arab world. Peoples are rising up against anti-democratic regimes and leaders who have feathered their own nests to an incredible degree while most of their citizens have lived, and still do live, in poverty. These are revolutions for democracy, for freedom, but also for social justice. Let me pay a warm tribute here to the courage and determination of all these peoples who are fighting against autocracy and for a fairer society.

John Monks
General Secretary





[ETUC in action]

ETUC CAMPAIGNS

Euro-demonstration in Budapest on 9 April 2011

08/02/2011 – The ETUC Steering Committee announced the organisation of a **Euro-demonstration in Budapest** to say “No to austerity – For a social Europe, for fair pay and for jobs” on **9 April**. This important mobilization will be organised by the ETUC jointly with its 6 Hungarian affiliates – LIGA, ASZSZ, SZEZ, ESZT, MszOSz, and MOSz – where the Council of Ministers of Economic and Financial Affairs (ECOFIN) will take place. **This Euro-demonstration embraces the European trade union movement’s continuing campaign against austerity** and the massive cuts now being applied in most countries. This event will be also the opportunity to reaffirm the ETUC’s alternative policies of growth and more and better quality jobs.

[More information on the Euro-demonstration](#)

MAJOR MEETINGS – CONFERENCES – PROJECTS

Trade Union Erasmus: a very rewarding second phase

15/02/2011 – On 26 January, the closing conference of the “Trade Union Erasmus” project was held in Brussels, with the participation of John Monks, Peter Scherrer, EMF General Secretary, Bernadette Ségol, Uni-Europa General Secretary and Cécile Leclercq from the European Commission. **24 trainees, 27 organizations and 18 EU member countries were involved in this project under the coordination of the ETUC in cooperation with the EMF.** The traineeships of duration between a week and one month duration have covered several domains at local, regional, national and European level. Some examples: collective bargaining, industrial relations with sectorial perspective, labour law, enterprise policy, organizing, education and training, pensions, gender issues, migrant workers, etc...

It was also the occasion for a few **to visit building sites or factories, to take part in negotiations with employers, to participate in a congress or demonstration, to visit local or regional authorities or the European Parliament.**

The success of this second exchange experience, for trainees as well as for participant organizations, has shown **the need to continue the project.** In relation to this, the ETUC commits itself to continue this experience with the support of EMF, **by submitting a new project to the European Commission** in the



framework of the “Europe for citizens” program. The decision of the European Commission will be known in June 2011. At this stage, the request is for **40 trainees.** Once the ETUC will get the green light, all member organizations and federations will be asked to express their interest and their intention to take part in this new phase.

[For more information: web page dedicated to Trade Union Erasmus](#)



[Interview]

Interview with John Monks, ETUC General Secretary

John Monks, General Secretary of the ETUC, presents the position of the ETUC on the Economic Governance and Competitiveness Pact issue. He also announces the follow up of the European trade union movement campaign against austerity.



Why did the ETUC criticise the “Economic Governance” project proposed by the EU institutions? Does Economic Governance represent a danger for workers’ rights and the social acquis?

John Monks (JM): We have long called for economic governance in Europe as we have never understood how it was possible to run monetary union without greater economic coordination and greater cooperation, notably in the way the fiscal policies are operating. Now, we face a bizarre situation: the

economic governance that has come about because of the crisis affecting the euro and Greece is not the kind of economic governance that we want! What we have now is austerity governance! This is imposing very strict conditions on the workers of Europe: for example wages should be in line with the unit labour cost and that indexation agreements, where they exist, should be reviewed or abolished, pension age should be raised to 67 etc. In addition, this economic governance is being concocted very quickly. Very few outsiders have been involved in the discussions, as the decisions are being taken in the European Commission, in the Council of Ministers Secretariat and bilaterally between France and Germany. According to this plan, it is very clear that European workers have to pay the full price of the crisis, which started in the financial service sector, in housing bubbles, because of excessive speculation by several banks who were trusted to take care of people’s money, but who actually lost vast amounts of it. These are the problems that need to be solved and yet there are no corresponding proposals coming out of the Commission to solve them. The current situation threatens democracy. People will not tolerate this degree of interference from Europe and will not accept that the price of the euro is so severe and so hard. We are on a collision course with the European authorities if these proposals continue. We cannot accept them and we will continue to oppose the austerity measures which are being applied generally across Europe. This obligation to pay off the debt too quick and too much at the same time will not work. Paying off the debt in 4 years is not realistic: I noted recently the UK only finished paying off its World War 2 debts in 2007, not in the 1950s! This is not a World War, but there is a very heavy debt and a 4 years period to pay it off is far too short.

How do you view the proposition by Germany and France of a stricter budgetary and social coordination within the European Union (Competitiveness Pact)?



Interview with John Monks *(following)*

John Monks (JM) : I admire the German economic model which, with the Nordic model is probably Europe's best at the moment. In this context, I am including countries like the Netherlands and Austria in the "German model". However, the current proposals from France and Germany do not give us the best of the German model: there is no universal effort on short time working subsidies, nor is there a suggestion of a constitutional clause to uphold the autonomy of social dialogue and collective bargaining. Indeed, the Franco-German proposals focus on making indexation clauses redundant and putting a clause in the national constitutions to limit public debt (debt brake clause). Because of the proposals put forward by Merkel and Sarkozy, we are getting "Les Miserables", not an attractive feature! On the contrary, there are more attractive features that could be introduced in a proper European competitiveness pact tackling people's real problems: fighting unemployment, making the banks safer in the future, establishing a financial transaction tax, defining a major plan to help unemployed young people, issuing Eurobonds and so on. There are plenty of positive ideas circulating about economic governance, but they have not been given sufficient consideration so far.

The media is increasingly talking about the end of the crisis, but if we look at statistics on unemployment and if we look at the austerity measures taken at national level, it seems as though the end of the crisis is still to come. According to you, is Europe effectively out of the crisis?

John Monks (JM) : I hope the optimists are right. If you are in countries like Germany or the Netherlands, you can see the end of the crisis. But this is not the general story for Europe. I think other countries will be in crisis for a long time to come, in particular the ones that are the most indebted and are trying to pay off their debts through austerity measures, extremely quickly. So, no, we are not out of the crisis at all! In fact the risk of falling into a double dip recession in some countries is extremely real. We are in period of very little growth and with the return of inflation – because of commodity prices influenced by Chinese and Indian demand – the situation could worsen. If we move towards a so called "stagflation" situation, it will be very difficult to take action for growth.



The European trade union movement organised an important campaign against the crisis and austerity measures, with a massive demonstration in Brussels on 29 September 2010 as well as a European Day of Action on 15 December 2010. Can we expect other activities in the near future?

John Monks (JM) : We are planning more demonstrations. The ETUC will be in the streets of Budapest on April the 9th, and there will be other major national actions in some other capital cities on 8- 9 April. We continue to protest, we continue to resist the direction of the policy emerging from Europe's leaders. We are asking for a more constructive approach to economic governance, which should be growth friendly, and not just make workers cheaper and more flexible, not just make work longer, and so on. We want to have negotiations on that, and not just receive diktats from European lea-



Interview with John Monks *(following)*

ders. We have no option other than resisting, protesting and appealing to the forces of democracy. We believe that democracy is a major issue in Europe at these times. If you look at Ireland, which is in trouble, the major beneficiaries of what it is going on could be Sinn Fein, and other nationalist and anti-European parties like them. I think that if Europe overextends itself, the people who become popular will be the ones who refuse to succumb to imposed austerity from Brussels.



John Monks (JM) : I welcome what is taking place in Tunisia and Egypt. The forces of democracy are on the march against autocracy and against corrupt leaders who have been in power for a long time. I hope the trade union movement, will play a big part in the changes – it is certainly doing so in Tunisia. It reminds me of 1989 in the communist world, and before that, like the changes that took place in Spain, Portugal and Greece. I am always happy to see dictators pushed out and democracy pushing in! It will not always go smoothly – the situation in Egypt is very difficult as we speak – but it is a very good thing that progress is being made in those areas. *(At the time when*

International news recently has been characterised by Tunisian and Egyptians “revolutions”, as well as protest movements in several other Arab countries. What is the ETUC position in relation to these events?

the interview was done, the uprisings in the Arab world were not affecting Libya yet and the dramatic events that we are currently experiencing)



[Trade Union Agenda] February – March 2011

08/02/2011	ETUC Steering Committee (Brussels)	
14-18/02/2011	Force ouvrière Congress (Montpellier)	Congress Agenda
15/02/2011	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	
07/03/2011	Pan-European Regional Council Executive Committee (Brussels)	
08/03/2011	ETUC Steering Committee (Brussels)	
08-09/03/2011	ETUC Executive Committee (Brussels)	
14/03/2011	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	



[Focus on EU and trade union positions]

European Council: competitiveness risks being used as an alibi to intervene in collective bargaining systems

04/02/2011 - In reaction to the discussion launched by the [European Council](#) on a so-called "Competitiveness Pact", the ETUC stated that **competitiveness cannot be abused as yet another alibi to intervene in collective bargaining systems across Europe**. Cutting minimum wages and abolishing wage indexation systems in a few countries represents a danger to workers and trade unions. For the European trade union movement, **wage competition is a zero sum game**. According to John Monks, *"this is not a pact for competitiveness. It is a perverse pact for lower living standards, more inequality and more precarious work. By following this path, Europe is heading for a collision course with its social model and its core principle of autonomous collective bargaining."*

[ETUC press release](#)

Europe's Energy Strategy 2011-2020 should not be a missed opportunity

03/02/2011 - On the eve of the [European Council dedicated to energy](#), the ETUC, the European Metalworkers' Federation (EMF), the European Federation of Public Service Unions (EPSU) and the European Mine, Chemical and Energy Workers' Federation (EMCEF) announced **their concerns about the future of Europe's energy strategy 2011-2020**. While it should be possible for the European Union to take some important decisions on energy policy by the EU in 2011, **the European trade union movement fears that any decisions taken might be a long way from meeting expectations and the common interest**. The ETUC, the EMF, the EPSU and the EMCEF reaffirmed their [20 trade union priorities](#) for energy policy in the European Union by 2020.

[Joint ETUC-EMF-EPSU-EMCEF press release](#)

United call for mandatory company reporting

03/02/2011 - As the EU Commission closed its consultation on disclosure of non-financial information by companies the ETUC, the [Global Reporting Initiative \(GRI\)](#) and the [European Coalition for Corporate Justice \(ECCJ\)](#) called for the introduction of **new regulation requiring companies to report on their environmental and social impacts**. For John Monks, *"Workers are deeply concerned about the employment, social and environmental impacts and policies of their companies, both as employees and as citizens. It is high time that companies be required to provide information on these impacts on the basis of comprehensive and comparable standards. Workers should be involved not only in the process of developing these standards at the supranational level but should also have a right to engage management on this issue at the company level."*

[Joint ETUC-GRI-ECCJ press release](#)

Macro Economic Dialogue: the attack on wages is unfair and intolerable

14/02/2011 - At the meeting of the Macro Economic Dialogue, **the ETUC sternly warned against Europe becoming a quasi colonial power by intervening in wages and deregulating collective bargaining systems**. For the European trade union movement, **it is deeply unfair now to shift the burden completely to wages and workers**, while those that profited from speculation are free to go about their business as usual. The ETUC warned it would not accept a system of economic governance or a change in the European Treaty turning wages into the single instrument of adjustment.

[ETUC press release](#)
[Speaking notes held by John Monks at the Macroeconomic Dialogue](#)



[Focus on EU and trade union positions]

Mr Trichet must hit the right target, **the bankers not the workers!**

21/02/2011 - The ETUC deeply regrets the stance taken recently by Jean-Claude Trichet, the president of the European Central Bank (ECB), saying that 'increasing wages would be the ultimate error to be committed' and setting German style wage moderation as the prime example to be followed by the rest of Europe. John Monks promptly reacted by stating:

"Holding down real wage growth will hurt economic growth, hurt jobs and slow down the economy even more. Not all countries, by definition, can generate export led growth on the German model; domestic stimulation is necessary. Incidentally, the bankers who were at the heart of causing the crisis are back to business and bonuses as usual. I invite President Trichet to aim his hard messages on pay at the right targets - senior bankers and others in financial markets".

[ETUC press release](#)

[EU Agenda]

February - March 2011

01-02/02/2011	Mini-Plenary Session of the European Parliament (Brussels)	
04/02/2011	European Council (Brussels)	Council Agenda
14-17/02/2011	Plenary Session of the European Parliament (Strasbourg)	
14/02/2011	Eurogroup meeting (Brussels)	Meeting Agenda
14/02/2011	Education, Youth and Culture Council (Brussels)	Council Agenda
15/02/2011	Economic and Financial Affairs Council (Brussels)	Council Agenda
16-17/02/2011	Plenary Session of the European Economic and Social Committee (Brussels)	
21/02/2011	Foreign Affairs and External Relations Council (Brussels)	Council Agenda
24-25/02/2011	Justice and Home Affairs Council (Brussels)	Council Agenda
28/02/2011	Energy Council (Brussels)	Council Agenda
07/03/2011	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	Council Agenda
07-10/03/2011	Plenary Session of the European Parliament (Strasbourg)	
10-11/03/2011	Competitiveness Council (Brussels)	Council Agenda
11-12/03/2011	Informal meeting of foreign affairs ministers (Budapest)	Meeting Agenda
14/03/2011	Eurogroup meeting (Brussels)	Meeting Agenda
14/03/2011	Environment Council (Brussels)	Council Agenda
15/03/2011	Economic and Financial Affairs Council (Brussels)	Council Agenda
15-16/03/2011	Plenary Session of the European Economic and Social Committee (Brussels)	
23-24/03/2011	Mini-Plenary Session of the European Parliament (Brussels)	
24/03/2011	Tripartite Social Summit (Brussels)	
24-25/03/2011	European Council (Brussels)	Council Agenda

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